



General Assembly

January Session, 2019

Raised Bill No. 902

LCO No. 4518



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

AN ACT CONCERNING HIGH DEDUCTIBLE HEALTH PLANS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2021*) (a) For the purposes of
2 this section:

3 (1) "Family coverage" has the same meaning as provided in Section
4 220 or Section 223 of the Internal Revenue Code;

5 (2) "Health carrier" has the same meaning as provided in section
6 38a-1080 of the general statutes;

7 (3) "High deductible health plan" has the same meaning as provided
8 in Section 220 or Section 223 of the Internal Revenue Code;

9 (4) "Internal Revenue Code" means the Internal Revenue Code of
10 1986, or any subsequent corresponding internal revenue code of the
11 United States, as amended from time to time;

12 (5) "Qualified high deductible health plan" means a high deductible
13 health plan (A) that imposes an annual deductible that is not less than

14 the minimum amount necessary for such plan to qualify as a high
15 deductible health plan, and (B) regardless of whether such plan (i) is
16 used to establish a medical savings account or an Archer MSA
17 pursuant to Section 220 of the Internal Revenue Code, or a health
18 savings account pursuant to Section 223 of the Internal Revenue Code,
19 or (ii) caps annual out-of-pocket expenses in the amount specified by
20 the Internal Revenue Service, or any successor agency, for high
21 deductible health plans; and

22 (6) "Self-only coverage" has the same meaning as that term is used
23 in Section 220 or Section 223 of the Internal Revenue Code.

24 (b) Notwithstanding any provision of the general statutes, each
25 qualified high deductible health plan that is delivered, issued for
26 delivery, renewed, amended or continued in this state on or after
27 January 1, 2021, shall:

28 (1) Apply the annual deductible for such plan on a calendar year
29 basis, provided if coverage under such plan becomes effective at any
30 time other than January first, such annual deductible shall:

31 (A) Be prorated to reflect:

32 (i) The portion of the calendar year during which coverage under
33 such plan is effective; and

34 (ii) A deduction in an amount that is equal to the amount of all
35 payments that each individual covered under such plan paid during
36 any portion of the calendar year, other than the portion of the calendar
37 year described in subparagraph (A)(i) of this subdivision, toward the
38 deductible for another high deductible health plan, provided such
39 covered individual provides written evidence to the health carrier that
40 delivers, issues, renews, amends or continues such plan that is
41 sufficient to prove that such covered individual made such payments;
42 and

43 (B) Provide deductions for the cost of all covered benefits that are

44 provided to a covered individual under such plan and subject to such
45 deductible, regardless of the network status of the health care provider
46 that provided such benefits, in an amount that is equal to the lesser of
47 (i) the amount the covered individual paid for such benefits, or (ii) if
48 such benefits were provided out-of-network, the in-network amount
49 the covered individual would have paid for such benefits; and

50 (2) Not apply an increased annual deductible for such plan solely
51 because such plan provides family coverage and not self-only
52 coverage, and, if such plan provides family coverage, apply the same
53 deductible regardless of the size of the covered family.

54 (c) The provisions of subsection (b) of this section shall apply to the
55 maximum extent permitted by federal law, except if a qualified high
56 deductible health plan is used to establish a medical savings account or
57 an Archer MSA pursuant to Section 220 of the Internal Revenue Code
58 or a health savings account pursuant to Section 223 of the Internal
59 Revenue Code, the provisions of said subsection shall apply to the
60 maximum extent that does not disqualify such account for the
61 deductions allowed under said sections.

62 (d) The Insurance Commissioner may adopt regulations, in
63 accordance with the provisions of chapter 54 of the general statutes, to
64 implement the provisions of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2021</i>	New section

Statement of Purpose:

To require certain high deductible health plans, to the maximum extent permitted by federal law, to: (1) Apply annual deductibles on a calendar year basis; (2) prorate annual deductibles to reflect (A) the portion of the calendar year during which coverage under such plans is effective, and (B) a deduction for payments made by individuals covered under such plans while such individuals were covered under other high deductible health plans during such year; (3) provide

deductions for in-network and out-of-network covered benefits; and (4) not apply (A) increased annual deductibles solely because such plans provide family coverage, or (B) annual deductibles that vary solely due to family size.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]